

# **Recommendations for the Use of One-Time Funds In the FY 14 Budget**

June 11, 2013



# One-Time Funds

- In FY 14, the City has the unique opportunity to invest \$56.8 million of one-time funds

| Source                                       | Amount<br>(Millions) |
|--|----------------------|
| FY 11 Transfers Held in abeyance             | \$ 1.00              |
| FY 12 Unspent Uplands Oil                    | 4.40                 |
| FY 13 Uplands Oil Over \$70/bbl (Estimated)  | 13.00                |
| FY 13 Sweep from Housing and SA Fund Balance | 16.30                |
| FY 13 Unbudgeted RDA Property Tax            | 12.20                |
| Property Tax Admin. Fee Lawsuit Settlement   | 4.39                 |
| FY 13 IAM PERS Pick-Up                       | 2.50                 |
| Tip Fee Revenue from SERRF                   | 1.85                 |
| Additional SERRF Revenue Transfer            | 1.20                 |
| TOTAL  | \$ 56.84             |



# City Council Allocations

- On April 2, 2013, the City Council allocated \$5.4 million of these funds, split among districts, for investment in our streets, sidewalks, and park facilities
- This evening's recommendation from the BOC proposes to allocate an additional \$6.45 million, split among districts, for investment in our streets, sidewalks, and park facilities
- The BOC's recommendation tonight brings the total amount allocated to Council Districts to \$11.85 million, reducing available funding to \$45 million



# FY 14 Proposed Budget

- It is a City policy, and sound financial practice, to consider major expenditures during the annual budget process
- Accordingly, the preliminary recommendations for the disposition of one-time funds you are seeing tonight will be included as part of the FY 14 Proposed Budget, which will include the Mayor's recommendations on those items



# Investment Needs

- Since 2001, due to our structural deficit, we have had little or no resources to:
  - ✓ Repair or replace deteriorating public buildings, park equipment, and alleys
  - ✓ Jump start open space development
  - ✓ Fund replacement of critical financial and operating systems
- The FY 14 Proposed Budget will recommend investment in all of these areas



# Funds Available for Council Priorities

- The FY 14 Proposed Budget will recommend \$41.7 million to be spent in six priority areas:
  - ✓ Critical Operating Systems Replacement
  - ✓ Public Safety
  - ✓ Parks, Playground and Library Infrastructure
  - ✓ Public Works Infrastructure
  - ✓ Critical Public Facilities Upgrades
  - ✓ Organizational Investments and FY 14 Election
- Nearly \$10 million more is available for allocation towards additional City Council priorities



# Recommended Uses of Funds

## Critical Operating Systems Replacement (\$11.2 Million)

- Replace finance and human resources systems which are becoming very risky
- Software for fuel purchase, fleet management, and liability claims systems
- Completion of modern communication upgrades

## Public Safety (\$5.5 Million)

- Supplemental funding for police and fire academies
- Overtime for gang enforcement and other LBPD priorities
- Gender accommodation and other important projects in Fire Stations
- Additional cameras for LBCOP in high priority areas



# Recommended Uses of Funds

## Parks, Playground and Library Infrastructure (\$15.0 Million)

- Kick-start development of new open space
- Rehabilitate an aging community center
- Replace playground equipment
- Purchase furnishings, equipment, and books for new North Library

## Public Works Infrastructure (\$3.4 Million)

- New citywide one-time alley program
- Streets and sidewalk systems updates
- Citywide infrastructure fund for priority projects



# Recommended Uses of Funds

## Critical Public Facilities Upgrades (\$3.4 Million)

- Roof and ceiling repairs
- Fire system installations
- Improvement of doors, windows, and irrigation
- Rehabilitate aging parks and park facilities

## Organizational Investments and FY 14 Election (\$3.2 Million)

- Training for employees
- Investments in capital projects that yield operational savings
- Funds for the FY 14 election



# Summary of Proposed Use

| Proposed Use                                    | Amount<br>(Millions) |
|---|----------------------|
| Parks Capital Projects or Temporary Programs    | \$ 1.80              |
| Street Replacement and Slurry Seal              | 2.60                 |
| Sidewalk Replacement                            | 1.00                 |
| Available for Council-Directed Policy Decisions | 9.70                 |
| Critical Operating Systems Replacement          | 11.20                |
| Public Safety                                   | 5.50                 |
| Parks, Playground and Library Infrastructure    | 15.00                |
| Public Works Infrastructure                     | 3.40                 |
| Critical Public Facilities Upgrades             | 3.40                 |
| Organizational Investments and FY 14 Election   | 3.20                 |
| TOTAL   | \$ 56.80             |



# Recommendations

- Staff recommends that the BOC's recommendation to allocate \$6.45 million be taken from the \$10 million of undesignated funding, and the use of the remainder of the one-time funds be considered in the FY 14 Budget process



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